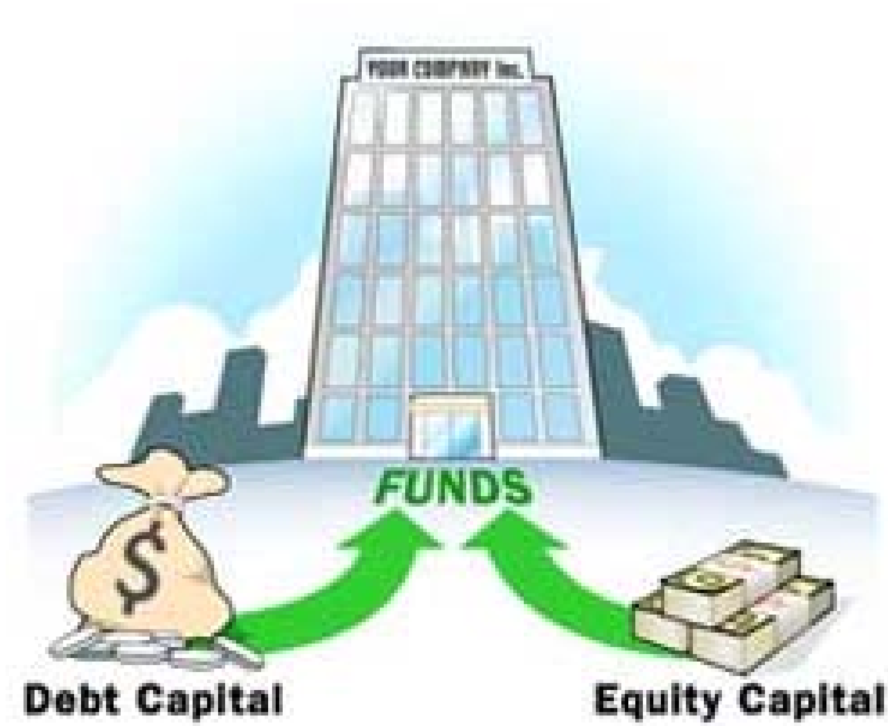

Acme Corporation is going to finance their widget assembly line using the following sources of capital:

- $7.1 million from bond sales with an average cost of 9.3% per year.
- $9.4 million from a bank loan with an interest rate of 6.4% per year.
- $4.3 million from stock sales with an average cost of 12.5% per year.
- $5.7 million in retained earnings that could have be used to earn an 11.5% return elsewhere.

If Acme's effective tax rate is 26%, what is their after-tax weighted average cost of capital?